

**Planning Commission
(PAMD)**

Subject: Revised Procedure for Introduction of a new Centrally Sponsored Schemes and measures to contain proliferation of CSS

The Committee on NDC on Centrally Sponsored Schemes in its report (Jan.'88) inter-alia recommended as under:

"There should be prior consultation with the States, not sectoral but with Finance and Planning Departments before introduction of new schemes and financial arrangements should be carefully worked out if the schemes are not 100 per cent Centrally funded. In order that a broad view may be taken instead of a sectoral one by a particular Ministry, all new schemes should be approved by the full Planning Commission.

The Group felt that while it is necessary to limit CSS both in terms of number and financial outlays, it may not be practicable to lay down any ceiling. A rigorous procedure for fulfilling the criteria proposed by the NDC Committee, prior consultation with the States and approval of the full Planning Commission should however, ensure that the propensity for proliferation of schemes is kept in check."

2. Narasimha Rao Committee (Committee of NDC on Centrally Sponsored Schemes) in its first meeting held on 1st November, 1986, approved the modified criteria for the retention of the existing and initiation of new Centrally Sponsored Schemes as set out below:

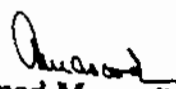
- a) The fulfilment of an important national objective such as poverty alleviation, achievement of minimum standards in education, or;
- b) The programme has a regional or inter-State character or;
- c) The programme or scheme should be in the nature of a pace setter or should relate to demonstration, survey or research.

3. As per existing procedure, only those schemes are taken up for appraisal which are included in the plan and for a new Centrally Sponsored Scheme, full Planning Commission approval is required before the scheme is considered by the Expenditure Finance Committee (EFC). The existing procedure was reviewed recently in Planning Commission and it was felt that seeking approval of full Planning Commission (which inter-alia involves approval of Prime Minister) before the scheme is considered by

Expenditure Finance Committee does not appear to be appropriate. Accordingly the procedure has been revised as under.

- a) For introduction of a new Centrally Sponsored Scheme in the plan which meets the criteria as laid down by the Committee of National Development Council (NDC), the Ministries/Departments should first obtain 'in principle' approval of the Planning Commission, (which would mean specific approval of Secretary, Planning Commission and the concerned Member) giving justification for introduction of the new scheme and indicating whether
- i) the existing Centrally Sponsored Schemes being run by the Ministry/Department have been reviewed and schemes identified for closure, weeding out and or merger with full details thereof.
 - ii) Whether an exercise has been carried out for avoidance of multiplicity of implementation machinery, if so, results thereof.
 - iii) Scheme wise details of number of posts sanctioned/created at the Ministry/Department, Central, State & District level being run by the Department. Whether any rationalisation exercises have been undertaken, if so, details thereof.
 - iv) Are there existing schemes with similar objectives in the Ministry/Department or other Central Ministries/Departments and /or schemes with similar objectives being implemented by the State Governments, if so details thereof and the justification for taking up a new scheme instead of strengthening / modifying the existing schemes.
 - v) The reasons for not implementing the scheme under State Plan with earmarked funds.
- (b) After obtaining 'in principle' approval of the Secretary, Planning Commission and Member, wherever applicable, the Ministries should submit the proposal to EFC/PIB as the case may be and obtain full Planning Commission approval before submitting the proposal to Cabinet / CCEA for approval.
- (c) In case full Planning Commission rejects the proposal or accords approval with significant changes requiring reconsideration by EFC / PIB, the proposal would be dropped or resubmitted to EFC / PIB, for consideration as the case may be before submitting the proposal to Cabinet / CCEA for approval.
4. Secretaries of all the Ministries/ Departments have been informed of the revised procedure vide D.O. of even number dated 25.10.1999.(copy enclosed)

In view of the above, henceforth only those new Centrally Sponsored Schemes would be taken up for appraisal and consideration by the EFC/PIB which have been accorded 'in principle' approval.


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Principal Advisers/Advisers/Heads of Divisions

P.C. U.O. No. O-14015/8/99-PAMD dated 25th October, 1999

Copy to - Senior PPS to Secretary
PS to Deputy Chairman